

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 CIAE-00 INR-07 NSAE-00

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FM AMEMBASSY BUENOS AIRES

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E.O. 11652: N/A

TAGS: EGEN, AR

SUBJECT: BUSINESS MOBILIZING TO OPPOSE GOVERNMENT ECONOMIC POLICY

1. A NEW ORGANIZATION HAS RECENTLY BEEN FORMED TO EXPRESS OPPOSITION OF PRIVATE SECTOR TO GOA ECONOMIC POLICY. IT IS CALLED THE PERMANENT ASSEMBLY OF SYNDICATED BUSINESS ENTITIES (ASAMBLEA PERMANENTE DE ENTIDADES GREMIALES EMPRESARIAS) (APEGE) AND INCLUDES MAJOR FEDERATIONS AND CHAMBERS OF COMMERCE IN AGRICULTURE, INDUSTRY, TRADE, CONSTRUCTION, ETC. NEW ENTITY PROMISES TO BECOME A MAJOR NEW VOICE FOR THE PRIVATE SECTOR IN ARGENTINA.

2. LAST WEEK, APEGE HELD ITS OPENING SESSION. MORE THAN 1,000 DELEGATES ATTENDED REPRESENTING 80 OR MORE CHAMBERS AND FEDERATIONS. A RESOLUTION WAS ADOPTED CALLING FOR IMMEDIATE IMPLEMENTATION OF NEW MEASURES TO ASSURE INDUSTRIAL ORDER AND SECURITY, ELIMINATE BOTTLENECKS STIFLING PRODUCTION AND PRODUCTIVITY, EXPAND EXPORTS, REDUCE INFLATION AND REGULARIZE TAX LEGISLATION. APEGE ALSO AGREED TO IMPLEMENT ACTION PLAN INCLUDING NONPAYMENT OF TAXES AND GENERAL BUSINESS STRIKE IF REFORM IN THESE AREAS NOT FORTHCOMING.

3. A SOURCE WHO ATTENDED MEETING CAME AWAY IMPRESSED BY
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SERIOUSNESS OF MEETING AND VOLATILE OPPOSITION TO
GOVERNMENT POLICIES. COMMON THEMES OF SPEECHES WERE

LACK OF EFFECTIVE BUSINESS REPRESENTATION IN GOA
ECONOMIC POLICY FORMULATION, WIDESPREAD DESTRUCTION OF
PRIVATE SECTOR IN ARGENTINA, AND STRONG ADVANCE OF LEFTISTS
IN COUNTRY. FORMER ECONOMY MINISTER GELBARD WAS SINGLED
OUT FOR PARTICULARLY SHARP CRITICISM ACCORDING TO SOURCE.

4. IN EFFORT TO MAINTAIN POLITICAL POSITION, CGE IS
TODAY (FEBRUARY 2) ALSO HOLDING SPECIAL SESSION TO EXPRESS
OPPOSITION TO GOVERNMENT POLICY. HOWEVER, LACKING
INFLUENCE IN GOVERNMENT AND REPRESENTATION WITHIN PRIVATE
SECTOR, CGE HAS NOW BEEN LARGELY THRUST TO THE SIDE BY
COURSE OF EVENTS.

5. COMMENT: BUSINESS SECTOR APPEARS TO BE ARISING FROM
ITS RELATIVE POLITICAL LETHARGY AND UNITING TO FORCE
CHANGE IN ECONOMIC POLICY DIRECTION.
WE DO NOT DISCOUNT POSSIBILITY OF WIDESPREAD
BUSINESS STRIKE IF GOVERNMENT FAILS TO ACT ON ISSUES APEGE
BELIEVES IMPORTANT.
HILL

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